

2011 DRAFTING REQUEST

Bill

Received: **01/24/2011**

Received By: **mshovers**

Wanted: **As time permits**

Companion to LRB:

For: **Administration-Budget 6-1923**

By/Representing: **Quinn**

May Contact:

Drafter: **mshovers**

Subject: **Tax, Individual - income credit**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Quinn, BB0246 -

Topic:

Change the percentages that may be claimed under the earned income tax credit

Instructions:

Based on family size, increase and reduce certain amounts that may be claimed under the EITC

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	mshovers 01/24/2011	jdye 01/25/2011	mduchek 01/25/2011	_____	mbarman 01/25/2011		

FE Sent For:

<END>

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mshovers

1/25 jld

Typed



Proofed

Submitted

Jacketed

Required

FE Sent For:

<END>

Shovers, Marc

From: Kreye, Joseph
Sent: Monday, January 24, 2011 8:56 AM
To: Hanaman, Cathlene
Cc: Shovers, Marc
Subject: RE: Statutory Language Drafting Request
Mr. Shovers, I believe this is for you.

From: Hanaman, Cathlene
Sent: Monday, January 24, 2011 8:29 AM
To: Kreye, Joseph
Subject: FW: Statutory Language Drafting Request

I am not reading this, but the Brian Quinn name indicates it could be yours.

From: DOADLBASADMININTERNETSHAREPOINT@WI.GOV
[mailto:DOADLBASADMININTERNETSHAREPOINT@WI.GOV]
Sent: Sunday, January 23, 2011 11:56 AM
To: Hanaman, Cathlene
Cc: Hetzel, Shayna - DOA; Thornton, Scott - DOA; Grinde, Kirsten - DOA; Quinn, Brian D - DOA
Subject: Statutory Language Drafting Request

Topic: EITC Rate Modifications

Tracking Code: BB0246

SBO Team: TTO

SBO Analyst: Quinn, Brian D - DOA
Phone: (608) 266-1923
E-mail: brian.quinn@wisconsin.gov

Agency Acronym: SRTR

Agency Number: 835

Priority: Medium

Intent:
Change the percentage of the federal credit to 5% for one child, 8% for two children, and 40% for three or more children.

Attachments: False



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-11477
MES:.....

RMP

LPS-request
sheet already
fixed

that may be claimed under

DOA:.....Quinn, BB0246 - Change the ~~main~~ percentages ~~in~~ the earned income tax credit

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

✓

Don't gen

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AN ACT ...; relating to: changing the percentages of the federal credit that may be claimed under the earned income tax credit. ✓

head
TAXATION
INCOME TAXATION
subhead

Analysis by the Legislative Reference Bureau

Under federal law, the earned income tax credit (EITC) is a refundable tax credit for low-income workers. If the amount of the claim exceeds the worker's tax liability, the claimant receives a check for the excess amount from the Internal Revenue Service. The amount of the credit for which a claimant is eligible is based, in part, on whether the claimant has no qualifying children, one qualifying child, or more than one qualifying child. ✓

Under current law, the refundable Wisconsin EITC may be claimed in an amount equal to a certain percentage of the federal basic EITC. To be eligible for the Wisconsin EITC, an individual must have one or more qualifying children. The Wisconsin EITC is equal to 4 percent of the federal credit if the claimant has one qualifying child, 14 percent of the federal credit if the claimant has two qualifying children, and 43 percent of the federal credit if the claimant has three or more qualifying children. ✓

This bill changes the percentages of the federal credit that may be claimed under Wisconsin law. Under this bill, for taxable years starting after December 31, 2010, * The Wisconsin EITC is equal to 5 percent of the federal credit if the claimant has one qualifying child, 8 percent of the federal credit if the claimant has two

qualifying children, and 40 percent of the federal credit if the claimant has three or more qualifying children.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.07 (9e) (af) (intro.) of the statutes is amended to read:

71.07 (9e) (af) (intro.) For taxable years beginning after December 31, 1995, and before January 1, 2011, any natural person may credit against the tax imposed under s. 71.02 an amount equal to one of the following percentages of the federal basic earned income credit for which the person is eligible for the taxable year under section 32 (b) (1) (A) to (C) of the ~~internal revenue code~~ Internal Revenue Code:

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; s. 13.92 (1) (bm) 2.

SECTION 2. 71.07 (9e) (aj) of the statutes is created to read:

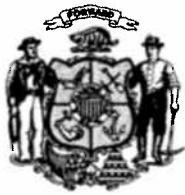
71.07 (9e) (aj) For taxable years beginning after December 31, 2010, an individual may credit against the tax imposed under s. 71.02 an amount equal to one of the following percentages of the federal basic earned income credit for which the person is eligible for the taxable year under section 32 (b) (1) (A) to (C) of the Internal Revenue Code:

1. If the person has one qualifying child who has the same principal place of abode as the person, 5 percent.

2. If the person has 2 qualifying children who have the same principal place of abode as the person, 8 percent.

1 3. If the person has 3 or more qualifying children who have the same principal
2 place of abode as the person, 40 percent.

3 (END)



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1147/1
MES:jld:md

DOA:.....Quinn, BB0246 - Change the percentages that may be claimed
under the earned income tax credit

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

- 1 **AN ACT ...; relating to:** changing the percentages of the federal credit that may
2 be claimed under the earned income tax credit.

Analysis by the Legislative Reference Bureau

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INCOME TAXATION

Under federal law, the earned income tax credit (EITC) is a refundable tax credit for low-income workers. If the amount of the claim exceeds the worker's tax liability, the claimant receives a check for the excess amount from the Internal Revenue Service. The amount of the credit for which a claimant is eligible is based, in part, on whether the claimant has no qualifying children, one qualifying child, or more than one qualifying child.

Under current law, the refundable Wisconsin EITC may be claimed in an amount equal to a certain percentage of the federal basic EITC. To be eligible for the Wisconsin EITC, an individual must have one or more qualifying children. The Wisconsin EITC is equal to 4 percent of the federal credit if the claimant has one qualifying child, 14 percent of the federal credit if the claimant has two qualifying children, and 43 percent of the federal credit if the claimant has three or more qualifying children.

This bill changes the percentages of the federal credit that may be claimed under Wisconsin law. Under this bill, for taxable years starting after December 31,

2010, the Wisconsin EITC is equal to 5 percent of the federal credit if the claimant has one qualifying child, 8 percent of the federal credit if the claimant has two qualifying children, and 40 percent of the federal credit if the claimant has three or more qualifying children.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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3. If the person has 3 or more qualifying children who have the same principal place of abode as the person, 40 percent.

(END)